CENTRAL INTELLIGENCE AGENCY

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7 February 1985

Mr. William German
Executive Editor
SAN FRANCISCO CHRONICLE
901 Mission Street
San Francisco, CA 94103

Dear Bill:

My attention has been invited to the 30 January 1985 "briefing" section of the CHRONICLE entitled "What's Wrong with U.S. Intelligence Agencies?"

Had the CHRONICLE taken the time to determine if CIA was responding to the two critical articles the section contained, it would have received the attached items. One is my response to Allen Goodman's article, which will appear in the next issue of FOREIGN POLICY. The other is Director Casey's response to John Horton which appeared in the Washington POST on 31 January 1985.

I hope that you will give these two Agency rebuttals the same prominence in the CHRONICLE you gave to the misleading Goodman and Horton articles themselves.

Sincerely,

George V. Lauder
Director, Public Affairs

Attachments

SAN FRANCISCO CHRONICLE
20 February 1985

CIA Responds to Charges

BY GEORGE V. LAUDER

Normally, the CIA does not respond to articles written about it. However, because Allan Goodman's article ("What's Wrong with U.S. Intelligence Agencies," January 30 Briefing) concerns an area of the agency's activities where we can speak publicly and because the article is so inaccurate, we believe the record should be corrected.

Goodman left the agency in 1980 and his information concerning it is seriously outdated. A point-by-point rebuttal of all of his errors and recommendations would take too much time and space. Thus, I will only address the most egregious of his inaccuracies:

■ Goodman states that the intelligence community does not study its failures and that in the few instances where post-mortems have been undertaken the results are not widely disseminated or discussed.

Fact: In recent years, the director of intelligence has assigned a senior group of distinguished officials the task of evaluating some 15 major historical intelligence problems and to evaluate retrospectively at one and two year intervals virtually every estimate now prepared.

The Directorate of Intelligence also has its own evaluation staff. These evaluations are widely shared with the concerned organizations.

■ Goodman asserts that analysts learn to be wary of doing longer range or in-depth studies and that the task of writing estimates and think pieces is to be avoided.

Fact: In the last 3½ years, a substantial percentage of new analytical resources has been devoted to strengthening long-term research. In the last year alone, more than 700 long-term research assessments were published.

■ Goodman asserts that the intelligence community has few analysts posted abroad.

Fact: One of the benefits of new resources in recent years has been a significant expansion of the number of analysts assigned overseas and, for the first time, there are adequate funds for analysts to travel and work overseas.

■ Goodman states that attempts to reach out to academics are strongly resisted.

Fact: The CIA has expanded dramatically its contacts not only with academicians but also with think tanks and the private sector.... Analysts are required to obtain outside training every two years either through academic course work or through attendance at conferences and seminars.

■ Goodman states that analysts should do more to distinguish between what they know and do not know, identify those judgments based on specific evidence from those based on speculation, and make projections about the future.

Fact: One of the principal objectives of new, far more intensive substantive review of CIA analysis is to ensure that our analysts are putting before the policymaker not only a more explicit description of their evidence but also are distinguishing between what is analysis and what is based on evidence, as well as our view of the reliability of that evidence. And when we speculate, the reasons behind our speculation are included.

■ Goodman states that the blocking of critical analyses unwelcome to policymakers has been consistent in recent years.

Fact: The charges of the blocking of critical estimates because they were critical of policy are false; the agency continues to publish a wide range of estimates without regard to the political consequences for policies that may be affected....we would simply note that neither oversight committee of the Congress, which — unlike Goodman — has access to our assessments has reached his conclusions.

In sum, many of the policies Goodman advocates with respect to improving the quality of analysis, already have been implemented.

While we recognize there is always room for improvement and there are still occasional lapses, the fact remains the policies are in place. And just as Goodman predicted, these changes in analytical methods and management have reduced the failure rate for American intelligence.

George V. Lauder is director of public affairs for the CIA

Continued

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Casey's Reply

BY WILLIAM J. CASEY

In the January 30 Briefing under the heading, "When Pressure Forces a CIA Officer to Quit," John Horton stated that he "quit the CIA" because pressure was put on him to come up with an estimate that would satisfy the director of central intelligence.

It is not entirely clear what Horton means by this. (Horton was national intelligence officer for Latin America when he resigned last year.)

As national intelligence estimates are issued by the director and are traditionally regarded as his estimates, it is hardly surprising that, after hearing the views of all agencies representing the intelligence community, the director should want to be satisfied that the estimate is accurate, and that it fully conveys what the users should know.

If Horton means that he was required to suppress or distort evidence available to the intelligence community, it is a very serious charge that needs to be addressed on the record.

The first obligation of the director of central intelligence is to produce intelligence estimates and reports that are as accurate, comprehensive and objective as possible and which appropriately reflect the diverse and often conflicting views of the various components of the intelligence community.

Improving the estimating process was my primary concern when I assumed office in 1981. Procedures were instituted to encourage a broad range of views.

The chief of every component of the American intelligence community is responsible for putting forward at meetings of the National Foreign Intelligence Board the information and judgments developed in his organization. These procedures were carefully followed in the National Intelligence Estimate (on Mexico) addressed in Horton's article.

Concern over developments had led to the initiation of a new estimate of the prospects for serious instability in a particular country. This issue was controversial within the intelligence community.

There were disagreements between the drafting analysts and Horton over deletions made by the latter, and I insisted that at least some of the information and challenges to conventional wisdom present in the analyst's original draft be restored to the estimate so that the range of views existing in the intelligence community would be available to policy-makers.

The full range of the judgments that came out of the process were clearly and prominently stated on the first page of the estimate.

Finally, the House Committee on Intelligence reviewed this matter and stated in its annual report issued last month that: "the committee examined the earlier drafts and the final version of that particular National Intelligence Estimate and found that dissenting views were printed at the very beginning of the study, a practice the committee applauds."

William J. Casey is director of the Central Intelligence Agency

SAN FRANCISCO CHRONICLE
30 January 1985

BRIEFING

WHAT'S WRONG WITH U.S. INTELLIGENCE AGENCIES

The problems that plague the intelligence community are so deeply rooted that only fundamental changes can improve performance

ILLUSTRATION WILLIAM COPE

BY ALLAN E. GOODMAN

The recent campaign for the White House marked the third straight presidential election in which the American intelligence community's performance was a major issue.

From their memoirs it is clear that Presidents Richard Nixon and Jimmy Carter, Secretary of State Henry Kissinger, and National Security Adviser Zbigniew Brzezinski all left often thinking intelligence had not served them well.

Moreover, ever since the debacle in Iran the Senate and House Select Committees on intelligence have been sharply critical of the substantive briefings they have received from the intelligence agencies.

As early as 1982, the Reagan administration's disappointment was underscored by Admiral Bobby Inman, the country's most respected and respected career military intelligence officer and deputy director of central intelligence until 1982.

Inman told several audiences that the U.S. intelligence community's performance was at its lowest level since Pearl Harbor.

"And in the wake of the most recent bombing of the U.S. Embassy in Beirut, Lebanon, President Reagan himself expressed concern about "the near destruction of our intelligence capability," which presidential spokesman Larry Speakes blamed on "a decade-long trend of a climate in Congress that results in inadequate funding and support for intelligence-gathering capabilities."

Intelligence and foreign-policy professionals should take such criticism seriously, despite the political circumstances and motives that may have generated it.

Many intelligence operatives have left the profession wondering if the community has become too fragmented. Sophisticated collection technologies have actually impeded the sharing of information. And rival agencies in stiff competition for financing prepare such divergent analyses that consensus fails to provide enough accurate, timely, or complete information to policy-makers.

Unfortunately, such problems have plagued the intelligence community for more than a decade and are so deeply rooted that only fundamental change in the system will improve performance.

Intelligence Failures

The quality of intelligence provided by the community has been seriously questioned for some time. There have been at least 20 alleged intelligence failures investigated by Congress or the press since 1960.

Since the White House has not permitted the director of central intelligence to release an unclassified version of the CIA inspector general's report, the number of successes is not known and therefore it is impossible to compose a track record.

But it is not reassuring that the failures show patterns and that many of them involved issues and threats of major strategic, diplomatic, or economic importance to the United States.

American intelligence has frequently misjudged Soviet behavior and capabilities. Targets of highest priority, U.S. intelligence erred, for example, about the Soviet threat to American U-2 reconnaissance flights in 1960.

It failed to predict Soviet Premier Nikita Khrushchev's deployment of offensive missiles in Cuba in 1962; the assurances to Khrushchev, Leonid Brezhnev and Yuri Andropov; the level of Soviet defense spending; and Soviet industry's ability to design and produce a nuclear arsenal or 1000 missiles with accuracies comparable to America's in five years.

The intelligence community also bungled the question of the origins and intentions of the Soviet combat brigade "discovered" in Cuba in 1979. Such misjudgments have all been extremely costly to U.S. security. Some of these failures led to major crises, like the Cuban missile crisis; others, such as the underestimate of the Soviet nuclear buildup, led to complacency about America's own arsenal and the need to modernize it.

U.S. intelligence agencies also have failed to anticipate military attacks and to identify tactics and targets in limited wars. The intelligence community has rarely predicted correctly the use of force by one state to achieve its aims over another.

These failures include the North Korean attack on South Korea in 1950; the risk to the USS Liberty of Israeli air attack if the ship continued a surveillance mission during the 1967 Arab-Israeli war; the risk to the USS Pueblo of its surveillance activities near North Korean waters in 1968; the objective of the Tet offensive in Vietnam in 1968; the 1973 Arab-Israeli war; the Argentine seizure of the Falkland Islands (Islas Malvinas) and the subsequent British sinking of the Argentine cruiser Belgrano; and the efforts by Iran and Iraq to destroy each other's oil fields and export facilities once the Persian Gulf war broke out.

In each of these cases, ill-conceived or mistaken policy also was at fault. But to blame the policy-maker for the failure, as many intelligence professionals have done, would be a serious mistake.

However the policy-makers reached their conclusions, they were guided by faulty intelligence analysis or poorly served by the slow or incomplete dissemination of reports by the intelligence community.

The Iran Debacle

The most hotly debated intelligence failure of the 1970s was the Iran debacle. Actually, a series of failures along with a vacillating policy toward the shah led to the seizure of the U.S. Embassy in November 1979 and destroyed vital American economic and security interests in the region.

To be sure, as the consultants who compiled the CIA's postmortem on Iran later discovered, not a single person in or out of government forecast the ascent of Ayatollah Khomeini. Revolutions have rarely been predicted correctly, but U.S. intelligence agencies and their analyses failed even to come close.

The episode caused Jimmy Carter to avoid the following handwritten note to then Secretary of State Cyrus Vance, Brzezinski, and then director of Central Intelligence, Admiral Stansfield Turner.

"To Cy, Zbig, Stan — I am not satisfied with the quality of our political intelligence. Assess our errors and, as soon as possible, give me a report concerning our ability to find the most important areas of the world. Make a joint recommendation on what we should do to improve your ability to give me political information and advice."

At the senior level, new priori-

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When Pressure Forces a CIA Officer to Quit

BY JOHN HORTON

Last year I resigned as National Intelligence Officer for Latin American because of the pressure put on me by the director of central intelligence — William Casey — to come up with a National Intelligence Estimate on Mexico that would justify him.

This is not the first time that pressure has been put on intelligence officers to come up with what their superiors consider to be the right answers.

A previous director not long ago remarked that he was considered a "traitor" because the estimates on Southeast Asia that were being written under his direction were not pleasing to the policy-makers at the time — the estimates didn't say that our policy in Vietnam was working.

In my own case, it was not that the policy-makers were putting pressure on the director, but rather that the pressure on me and others working on the Mexico estimate came from the director himself.

Nothing will get an intelligence officer's back up faster than a whiff of that kind of pressure in his nostrils. It is a matter of principle that he not slant intelligence judgments to make them more palatable to his superiors or to shower the glory of approval on an administration's policies.

A National Intelligence Estimate is not simply an intelligence report or a bit of analysis, nor should it be any one man's opinion. It is the product of the deliberations of representatives of all the intelligence agencies dealing with foreign affairs.

As a member of the National Intelligence Council, the national intelligence officer chairs the writing of the estimate. This may give him more influence than one of the representatives from CIA, from State or Army or Navy or Air Force or the Marines, or from the Defense Intelligence Agency. It may not.

But the result should reflect the views of all the agencies and differences in their views. It is not or should not be blandly unanimous, and it should reflect doubts as well as disagreements.

In 1978, a distinguished intelligence officer, in testifying before the Senate, spoke of the "natural tension" between intelligence officers and policy-makers and said, "Policy-makers must assume the integrity of the intelligence provided and avoid attempts to get materials suited to their tastes."

Much has been said — and no doubt much more will be said — about the motives of policy-makers for disputing or doubting the intelligence they receive. The most to understand and to accept is that this has happened in the past, and it can be expected in the future.

Strong-minded officials often think they know better than intelligence officers. Attempts to squelch displeasing intelligence reports or judgments that don't back up an administration's policies have a non-partisan provenance.

William Casey, the current director, most differs from previous directors of central intelligence in that he is a part of the policy-making group where Central America is involved as much as he is the president's chief intelligence officer. His particular case has led to talk of a bill to ensure the selection of future directors from the career services to prevent politicians being put in the job.

That may appeal to us intelligence officers who have an unshakable respect for our own virtues, but no legislation can ensure that a director, no matter how experienced in our work, will not buckle under pressure.

We should face the expectation that even men of good will and integrity may be intolerant of opinions they consider to be wrong or inconvenient. A taste of power may make us arrogant. The natural tension will continue.

If we accept this as inevitable, our aim should be to soften the tension. I propose that we do so through a loose, informal council of elders — a tribal council — to act as the public conscience, since intelligence matters cannot by their nature be thrown open to public scrutiny and since the early discussions of policy does not benefit from speech-making.

This council would sit with the director when he is beleaguered by the politicians, hold his hand when temptation beckons him from the path of duty, and talk quietly with other parties to see if the differences be minor or major and to sound warnings if the risks to be run seem not worth the candle.

The council would be made up of members of the four different organizations already charged with the task of examining the performance of the intelligence community and of the CIA in particular.

In the CIA there is an Office of the Inspector General that inspects the agency and acts as ombudsman for employee complaints. The President's Foreign Intelligence Advisory Board is made up of private citizens appointed by the president.

Two other organizations charged with oversight of the intelligence community are the Senate and House intelligence committees. The informal exchange of information and views among these groups would provide an immense improvement.

What would begin as a pragmatic approach to supporting the integrity of the intelligence process could benefit from the participation of officials from State, from Defense.

Good intelligence is vital to our security. Our discussion of foreign and defense policy suffers grievously from partisan exaggerations and simplifications. Such a tribal council could build bridges over petty chasms, define real differences and increase the area of consensus that seems so far from our grasp today.

Washington Post

John Horton was a CIA operations officer from 1948 to 1973 and served on the National Intelligence Council from May 1983 to May 1984.

GREAT DECISIONS '85

Starting Next Week

This year marks the 31st year of the Great Decisions program, sponsored nationwide by the Foreign Policy Association. Next week is the beginning of the Great Decisions '85 program, which consists of eight weekly meetings in communities throughout America to discuss significant U.S. foreign policy issues.

Starting next week, subject material related to the weekly Great Decisions topic will run in the Briefing section. The subject for discussion the first week will be "Revolutionary Cuba: Toward Accommodation or Conflict?"

Great Decisions '85 is sponsored locally by the World Affairs Council of Northern California in cooperation with the Foreign Policy Association, a non-governmental, non-partisan organization. Its aim is to stimulate citizen participation in world affairs.

Participants in Great Decisions will record their views in opinion ballots distributed at the weekly meetings. The ballots will be tabulated and circulated to members of Congress and the executive branch.

Discussion groups are still being formed and telephone reservations for the weekly lectures are being accepted. Information on Great Decisions '85 can be obtained from the World Affairs Council, 312 Sutter Street, Suite 200, S.F. 94108; phone 788-0241.

How to Improve U.S. Intelligence

From Page 1

ties were set for political intelligence in 40 countries whose stability was judged directly to affect major American ir

The group r .ended more resources to hire expert political analysts — not collectors — and decreed greater coordination in the collection of political intelligence between the Foreign Service and the intelligence community.

The only tangible result achieved by the group, however, was a substantial expansion of reporting requirements that fell largely on clandestine collectors because the Foreign Service was not given the staff resources to respond.

During his 1980 presidential campaign Reagan pledged to make improved intelligence one of his top priorities. Once elected, he appointed his campaign manager William Casey as director of central intelligence.

Politics and the CIA

Casey moved decisively and rapidly to bring in his own team to reorganize the analytic part of the CIA along geographic lines, to parallel the organization of the operations directorate, and to substantially increase the National Foreign Intelligence Program budget.

According to a Jan. 16, 1983, New York Times Magazine report by Philip Taubman, the CIA is the fastest-growing major federal agency. Its 25 percent budget increase in fiscal year 1983 exceeded even the Pentagon budget's 18 percent growth that year.

Although the intelligence budget's size is classified, Taubman quotes congressional sources as pegging the cost of annual CIA operations at more than $1.5 billion.

In his exhaustive 1983 study, "The Puzzle Palace," James Bamford reports that estimates of the supersecret National Security Agency's budget run "as high as $10 billion."

Yet little improvement is apparent with respect to the accuracy of the intelligence community's product.

Charges of intelligence failures have surfaced over estimates of the Soviet military buildup, the accuracy of arms-control monitoring, the threat against the U.S. Embassy and the Marine barracks in Beirut, the ability of the Lebanese army, the future and extent of the Cuban presence in Grenada, and the likely outcome of elections in El Salvador, as well as that country's domestic politics in general.

Another major congressional and public concern has been the politicization of the position of the CIA director in the Reagan administration.

CIA Director William Casey

The appointment of Casey and his elevation to cabinet status have put the intelligence community deeply into the policymaking arena.

In the atmosphere of a National Security Council meeting, the cabinet room, and the Oval Office itself, the central intelligence director can be tempted, if not basically inclined, to take sides and to express a policy preference.

Yet the temptation is an important one to resist, especially for the president's sake. As the president's principal adviser, only the CIA director can provide the security council with assessments independent of policy preferences.

Report on Lebanon

The trend today at the CIA and elsewhere in the intelligence community is to tailor the product to the needs and nuances of policy debate.

As one senior intelligence officer said in an interview, "Casey comes back here from the White House looking for reports to buttress his stand. He does not ask us for a review of an issue or a situation. He wants material he can use to persuade his colleagues, justify controversial policy, or expand the agency's involvement in covert action."

A case in point is Lebanon. Casey repeatedly returned drafts of one National Intelligence Estimate for revision with the notation "try again."

Many analysts think Casey was dissatisfied with the National Intelligence Estimate's conclusion that the government of Lebanese President Amin Gemayel, and especially its army, were not viable and that they would not be significantly strengthened by a U.S. Marine presence.

Charges that reports have been altered have also surfaced in connection with the CIA's work on Central and South America. Two senior analysts resigned recently claiming that Casey ordered their findings to be rewritten to inflate the threat to U.S. security.

Senate Minority Leader Robert Byrd, D-W.Va., has asked the Senate Select Committee on Intelligence to conduct a thorough evaluation of their allegations. "If accurate," Byrd said in a letter to the committee's vice chairman, "these reports indicate there has been a shocking misuse of the CIA for political purposes."

In addition, the Senate select committee has repeatedly expressed "concern" about whether Casey would keep the committee "fully and currently informed of all intelligence activities."

These anxieties proved well-founded when it was revealed by the New York Times that the CIA had launched a covert action to mine the harbors of Nicaragua without adequately briefing the committee.

Unfortunately, some of these problems are not new. Policy-makers constantly seek intelligence to support their policies and frequently encourage the CIA director to provide it. And intelligence officials have always tried to tell congressional oversight committees as little as possible, especially regarding covert operations.

One fundamental problem is that the current reporting system discourages analysts and agencies from sharing information. Consequently, when collectors or analysts in one part of the community find new data that challenge conventional wisdom, their first instinct is to squirrel them away.

What Is Needed

The immediate need is for an overhaul of the analytic career service and production process that will correct patterns of thinking and of management that have contributed to past intelligence failures.

A central, community-wide foreign-intelligence data base should be created to assure that an analyst working on a specific problem would have access to all the information collected.

Analysts also should be provided with incentives to do more reflective writing and research. Work and travel abroad should be facilitated and a thorough, substantive review procedure for all products and publications should be developed. These steps would greatly improve the accuracy and quality of the intelligence product.

Analysts must also pay more attention to distinguishing between what they know and do not know, to identifying judgments based on specific evidence vs. those based on speculation, and to making projections about the future.

Reorganizing the way U.S. intelligence services collect, analyze and disseminate the knowledge essential for national decision-making should be a high priority.

In particular, a return to the concept of central intelligence collection and analysis would help improve the performance of both tasks. Such centralization, along with the separation of collectors from analysts, would break down agency-erected barriers to the badly needed sharing of all information.

Thus the United States should establish a central collection agency, able to command and mix human and technical intelligence collectors to use each most effectively.

Also needed is a central agency for research and analysis where, again, the best talent can be deployed to work on a problem in as much depth as required. These two agencies should replace the CIA, NSA, and other intelligence organizations.

Excerpted from the Winter issue of Foreign Policy magazine. Alton E. Goodman served in several senior staff positions in the Central Intelligence Agency from 1975 to 1980, including presidential briefing coordinator of central intelligence. He is associate dean of the School of Foreign Service at Georgetown University.